

No. 12,892
IN THE
United States Court of Appeals
FOR THE NINTH CIRCUIT

SIGNAL MANUFACTURING COMPANY, a corporation, and
CHARLES SCHNEIDER, d.b.a. SIGNAL MANUFACTURING
COMPANY,

Appellants,

vs.

THE KILGORE MANUFACTURING COMPANY, a corporation,
Appellee.

REPLY BRIEF FOR APPELLANTS.

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TOPICAL INDEX

	PAGE
No new function results from the substitution of a one-piece container for a two-piece container.....	4
Elements essential to the construction of a commercially successful flare are not recited in Claims 10 and 11.....	6
Usefulness of flares cannot be attributed to what is shown and claimed in the patent in suit.....	7
Purported commercial success cannot sustain invalid claims.....	9
Claims 10 and 11 are invalid because they claim more than was invented	11
The claims are invalid because of prior patents not considered by the Patent Office.....	13
Defendant has not infringed. Plaintiff fails to point to evidence in support of the erroneous finding of infringement.....	14
The facts in this case conclusively show that defendant-appellant is entitled to costs and attorney's fees incurred during trial	16
Plaintiff Kilgore persists in confusing and improper tactics upon appeal	23
Summary and conclusion.....	26

TABLE OF AUTHORITIES CITED

CASES	PAGE
Automatic Appliance Mfg. Co. v. McNiece Motor Co., 20 F. 2d 578	15
Bailey v. Sears, Roebuck & Co., 115 F. 2d 904; cert. den., 314 U. S. 616.....	9
Bassick Co. v. Hollingshead Co., 298 U. S. 415.....	11
Brinkerhoff v. Aloe, 146 U. S. 515, 36 L. Ed. 1068, 13 S. Ct. 221	4
Celite Corp. v. Dicalite Co., 96 F. 2d 242.....	10
Dillon Pulley Co. v. W. H. McEachran, et al., 69 F. 2d 144....	15
Duer v. Corbin, 149 U. S. 216.....	10
Funk Bros. Seed Co. v. Kalo Inoculant Co., 333 U. S. 127, 76 U. S. P. Q. 282.....	9
General Electric Co. v. Wabash Appliance Corp., et al., 304 U. S. 364.....	6
Grayson Heat Control v. Los Angeles etc. Co., 134 F. 2d 478....	10
Heath v. Frankel, 153 F. 2d 369.....	9
Jacuzzi Bros. Inc. v. Berkeley Pump Co., et al., F. 2d (C. A. 9), decided July 23, 1951.....	1, 3, 13
Klein v. City of Seattle, 77 Fed. 200.....	10
Kruger v. Whitehead, 153 F. 2d 238.....	6
Kugelman v. Sketchley, 133 F. 2d 426.....	9
Lincoln Co. v. Stewart-Warner Corp., 303 U. S. 545.....	11
Marconi Wireless Co. v. United States, 320 U. S. 1.....	10
McClain v. Ortmyer, 141 U. S. 419.....	10
Orrison et al. v. Hoffberger Co., F. 2d, 90 U. S. P. Q. 195 (decided July 26, 1951).....	21
Park-In-Theatres, Inc. v. Seth D. Perkins, et al., F. 2d (C. A. 9), decided June 22, 1951.....	4, 16, 22

	PAGE
Pointer v. Six Wheel Corp., 177 F. 2d 153.....	10
Reinharts Inc. v. Caterpillar Tractor Co., 85 F. 2d 628.....	15
Shull Perforating Co., Inc. v. Cavins, et al., 94 F. 2d 357.....	12
Thordarson Electric Manufacturing Co. v. General Transformer Corp., 93 F. 2d 36.....	12
Thropp's Sons Co. v. Seiberling, 264 U. S. 320.....	10
Timken Detroit Axle Co. v. Cleveland Steel Products Co., 138 F. 2d 267; cert. den., 326 U. S. 725; reh. den., 326 U. S. 808.....	6
Triumph Explosives, Inc. v. Kilgore Manufacturing Co., 128 F. 2d 444.....	17
United Carbon Co. v. Binney & Smith Co., 317 U. S. 228.....	6
Waterhammer Arrester Corp. v. Tower, 156 F. 2d 775.....	6

STATUTES

Federal Rules of Civil Procedure, Rule 37(c).....	22
Federal Rules of Civil Procedure, Rule 75(e).....	25
Rules of the United States Court of Apepals, Rule 20(1).....	23
Rules of the United States Court of Appeals, Rule 20(3).....	23
Rules of the United States Court of Appeals, Rule 20(7).....	23
United States Code, Title 35, Sec. 70.....	20

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“The first point which comes to notice is that nowhere does appellant tell us of what the invention consists. If claimant cannot make a non-technical explanation of discovery, there is some indication that invention does not exist.”

Jacuzzi Bros. Inc. v. Berkeley Pump Co., et al.,
..... F. 2d (C. A. 9) decided July 23, 1951.

The above language is entirely applicable here. What is the invention in claims 10 and 11? Appellee cannot tell us.

NOTE: The parties shall be referred to as plaintiff and defendant. The references to the printed record shall be by R. followed by page number. Emphasized matter in decisions is by defendant.

Plaintiff, in its brief, persists in talking about “new result” but nowhere has the plaintiff pointed to a **specific new result or functional difference attained by the aggregation of elements composing claims 10 and 11.** No response has been made to defendant’s presentation of facts on pages 34-40 of the opening brief under the heading “**PLAINTIFF CANNOT POINT TO A NEW RESULT. THE OLD COMBINATION IS INVALID.**”

Plaintiff’s only statement in support of patentable invention in claims 10 and 11 appears on page 17 of its brief and reads as follows:

“* * * The substitution of a one-piece projectile shell, that is, a projectile shell in which the relatively thin side walls and the relatively thick base, being formed of one piece of metal, reduced to the very minimum any possibility of pre-ignition of that powder charge therein which is later used to eject the flare and the parachute from the shell, after the projectile reaches the zenith of its flight.”

The only benefit derived from such substitution is that it

“reduced to the very minimum any possibility of pre-ignition of that powder charge.”

This is an admission that the “benefit” is only **one of degree.** Plaintiff’s expert witness and technical director, Clauser, had stated that pre-ignition **would be prevented** if a **separate** bottom was tightly put on stating:

“A. It would as long as you get it to the point where you get it absolutely tight.” [R. 138; Deft. Br. p. 37.]

A difference in degree, resulting from the use of well-known mechanical equivalents, available to any mechanic, is not an inventive difference in function. One-piece projectile shells were known long before the patentees of the patent in suit [Ex. G, B5(d), R. 172; Deft. Br. pp. 17 and 22].

The so-called “new and better result” which plaintiff claims is therefore only a good result which can be attained in a number of different ways. It is not a new result, and the substitution of an old one-piece shell for a two-piece shell does not produce a new function.

“Although the claims of a patent, in order to comply with the statute, must be specific and deal with a definite construction, there is **no invention** in the placing together of devices well known in the art, **however novel and useful** may be the results, **unless a functional difference from all previously known constructions be achieved**. *Lincoln Engineering Co. v. Stewart-Warner Corp.*, 303 U. S. 545, 549, 550.”

Jacuzzi Bros., Inc. v. Berkeley Pump Co. et al.,
..... F. 2d (C. A. 9).

NO NEW FUNCTION RESULTS FROM THE SUBSTITUTION OF A ONE-PIECE CON- TAINER FOR A TWO-PIECE CONTAINER.

The authorities cited by defendant on pages 34-40 of its opening brief have been repeatedly recognized by this Honorable Court and the requirement that a combination of elements must produce a functionally different result in order to involve invention has been stated as follows:

“* * * Not a single element of plaintiff’s claim performs a function in the drive-in theatre significantly different from the function it has always performed: * * *. The assembly of the elements of a successful drive-in theatre was not inventive. Cf. *Sinclair & Carroll Co. v. Interchemical Corp.*, 1945, 325 U. S. 327.”

Park-In-Theatres, Inc. v. Seth D. Perkins, et al.,
..... F. 2d (C. A. 9), decided June 22,
1951.

Plaintiff was challenged to point out a new function. Plaintiff has not done this and cannot do so.

“If several old devices are so put together as to produce even a better machine or instrument than was formerly in use, but each of the old devices does what it had formerly done in the instrument or machine from which it was borrowed and in the old way, * * * it seems that the combination is not patentable. *Hailes v. Van Wormer*, 20 Wall. (87 U. S.) 353, 22 L. Ed. 241; *Reckendorfer v. Faber*, 92 U. S. 347, 23 L. Ed. 719.”

Brinkerhoff v. Aloe, 146 U. S. 515, 516, 36 L. Ed.
1068 13 S. Ct. 221.

It is deemed unnecessary to again review the factual evidence which convincingly and conclusively shows that each and every element of claims 10 and 11 appears in the prior art patents in the **same combination** for the **same purposes**, performing the **same functions** in the **same manner**. This is not denied by plaintiff. The devices of the prior art were signal flares; they included a cartridge and a projectile shell. When shot from a gun the cartridge or base remained in the gun while the projectile shell was discharged. After a predetermined time (controlled by the delay fuse) the contents of these prior art flares were discharged from the shell. The contents included a parachute and a candle as well as the well-known wads, gas checks, etc. The signal flare of claims 10 and 11 employs the same elements and functions in exactly the same way for the same purpose.

The claims of the patent in suit must be judged by what they say. The specifications of the patent cannot be rewritten by reference to extraneous matter. Claims 10 and 11 must be adjudged on the basis of the disclosures of the patent itself; they cannot be judged in the light of present-day practice since such practice may include information which the patent does not give.

ELEMENTS ESSENTIAL TO THE CONSTRUCTION OF A COMMERCIALLY SUCCESSFUL FLARE ARE NOT RECITED IN CLAIMS 10 AND 11.

On pages 40 and 41 of Defendant's Brief, the point is made that the claims are invalid because they do not state (and the specification does not state) elements represented as "very, very important" or essential to the manufacture of a commercial flare by plaintiff's own expert witness and technical director, Clauser [R. 121, 132, 133, 134; R. 119-120; Ex. G, R. 181].

Plaintiff does not deny this contention. Claims 10 and 11 are invalid because they **do not state how** a suitable flare is to be made. The authorities require a holding of invalidity.

General Electric Co. v. Wabash Appliance Corp., et al., 304 U. S. 364;

United Carbon Co. v. Binney & Smith Co., 317 U. S. 228;

Kruger v. Whitehead, 153 F. 2d 238 (C. A. 9);

Timken Detroit Axle Co. v. Cleveland Steel Products Co., 138 F. 2d 267 (C. A. 6), cert. den. 326 U. S. 725, reh. den. 326 U. S. 808;

Waterhammer Arrester Corp. v. Tower, 156 F. 2d 775 (C. A. 7).

Since these essential elements are not specified, the structure recited in the claims would not operate. The findings are clearly in error and contradict plaintiff's own witness.

USEFULNESS OF FLARES CANNOT BE ATTRIBUTED TO WHAT IS SHOWN AND CLAIMED IN THE PATENT IN SUIT.

Plaintiff's argument seems to be that in order that a flare signal be visible from a distance of say, twenty miles, it must be shot high into the air, it must carry a flare of sufficient brilliance and must stay bright a sufficient length of time.

This concept of an end result is not inventive. It has always been known that the higher the object, the greater the range of sight.

More than 250 B. C. the ancients built the lighthouse of Pharos at Alexandria with the light at a height of 412 ft. to permit the light to be seen at a distance of 300 stadia (42 miles). The Very parachute signal flare shown on the United States Ordnance Blueprint dated August 6, 1918 [Deft. Ex. F-32, R. 222] was shot into the air as a signal flare. The Mark I parachute flares were shot at various heights up to 1200 ft. and the flare was suspended from a parachute during a 32 second burning time [Deft. Ex. F-30, R. 220, see pp. 287, 288 and 291]. These prior signal flares had utility. They were used during World War I. The fate of nations depended upon them, not only the boatloads of plaintiff's shipwrecked persons.

The patent in suit and claims 10 and 11 do not state:

- (a) What kind of powder to use to shoot the shell up to a desired unspecified height.
- (b) How much of such powder should be used.
- (c) The relationship between such powder and the strength and thickness of the bottom and walls of the container or projectile shell.

(d) How bright should the flare be.

(e) What composition to use in the flare to produce the necessary brilliance.

(f) How long it should burn to be easily observable.

(g) How much of such unspecified composition should be used to make it burn for a desired, unspecified length of time.

(h) How large should the parachute be in order to keep the flare at a desired height for a useful but unspecified length of time.

(i) The “essential” taper to the delay fuse (invented by Clauser and not by the patentees).

These and other necessary instructions are not stated in the patent in suit and therefore plaintiff's argument is totally irrelevant. The United States Coast Guard established requirements of .150' minimum height, 20,000 candle power, 30 second burning time. Any mechanic and man experienced in pyrotechnics could then make a successful flare by **using the construction of flares shown in expired patents** and putting in the necessary powder and flare compositions. That is not invention—it is simply the normal exercise of those skilled in the pyrotechnic art.

Claims 10 and 11 do not teach how to meet commercial acceptance by the Coast Guard. The claims are invalid. They do not define a structure which required invention over the prior art.

PURPORTED COMMERCIAL SUCCESS CAN- NOT SUSTAIN INVALID CLAIMS.

Plaintiff's own witnesses have testified that the utility of the commercial flare sold by plaintiff depends upon construction and contents which are **not defined in the patent** in suit and not in claims 10 and 11. The claims do not cover what is actually sold. But plaintiff, in its brief, talks about utility and "better results" and completely ignores the rule that

"Lack of invention being clear, no significance attaches to the fact, if it be a fact, that commercial success followed the claimed improvement. *Toledo Pressed Steel v. Standard Parts*, 307 U. S. 350."

Kugelman v. Sketchley (C. A. 9), 133 F. 2d 426.

"Commercial success alone is not sufficient to validate a patent."

Heath v. Frankel (C. A. 9), 153 F. 2d 369.

In *Funk Bros. Seed Co. v. Kalo Inoculant Co.*, 333 U. S. 127, 76 U. S. P. Q. 282, the Supreme Court admitted that the combination there considered had advantages for the farmer, and was of advantage to the dealer and manufacturer, because it reduced inventory problems. But such commercial advantages were not enough, the Court holding the claims invalid and stating:

"But a product must be more than new and useful to be patented; it must also satisfy the requirements of invention or discovery."

Commercial success does not substitute for invention.

Bailey v. Sears, Roebuck & Co., 115 F. 2d 904
(C. A. 9), cert. den. 314 U. S. 616;

Celite Corp. v. Dicalite Co., 96 F. 2d 242 (C. A. 9);

Thropp's Sons Co. v. Seiberling, 264 U. S. 320, 330;

Duer v. Corbin, 149 U. S. 216, 224.

“Ordinarily, in itself, it (commercial success) is not a criterion in determining whether there was invention or in arriving at its scope.”

Pointer v. Six Wheel Corp., 177 F. 2d 153 (C. A. 9).

Citing:

Marconi Wireless Co. v. United States, 320 U. S. 1, 20;

Klein v. City of Seattle (C. A. 9), 77 Fed. 200, 240;

Grayson Heat Control v. Los Angeles etc. Co. (C. A. 9), 134 F. 2d 478, 481.

Utility (much less patentable invention) is not reflected by commercial success or general use; the Supreme Court pointed out that many patent medicines have insignificant utility but are widely sold because of widespread advertising, large commissions to dealers, attractive packaging and the activity of salesmen. (*McClain v. Ortmyer*, 141 U. S. 419, 428.)

Plaintiff has been forced to talk about commercial success (because there is no invention) but this purported commercial success is not derived from the patent but instead from the extensive advertising [Pltf. Ex. 31] and the fact that plaintiff sues and harasses its competitors. The above salutary rules nullify plaintiff's argument.

CLAIMS 10 AND 11 ARE INVALID BECAUSE THEY CLAIM MORE THAN WAS INVENTED.

It is fundamental that claims should cover what was actually invented.

“* * * The patent is therefore void as claiming more than the applicant invented. The mere aggregation of a number of old parts or elements which, in the aggregation, perform or produce no new or different function or operation than that theretofore performed or produced by them, is not patentable invention. And the improvement of one part of an old combination gives no right to claim that improvement in combination with other old parts which perform no new function in the combination.”

Lincoln Co. v. Stewart-Warner Corp., 303 U. S. 545, 549.

Also see:

Bassick Co. v. Hollingshead Co., 298 U. S. 415, 424-425.

During trial plaintiff contended that the tapered end of the delay fuse was essential and novel [R. 121, 132, 133, 134]. Claims 10 and 11 are not directed to this.

During trial plaintiff contended that a wooden annulus to surround the charge was very important and novel [R. 119-120]. Claims 10 and 11 are not directed to this.

Under the authorities referred to above and quoted on pages 41-42 of defendant's opening brief, and on the facts, claims 10 and 11 are invalid. By inference, plain-

tiff admits that claims 10 and 11 are invalid on this ground and made no answer to this contention.

Defendant has asked plaintiff to state what was invented by the patentees of the patent in suit. In answer thereto, plaintiff has only referred to "a better result." But a result is not patentable.

"* * * Inasmuch as it is well settled that one cannot have a patent for the function or effect but only for the machine which produces the same, under repeated decisions the claims are invalid because they are within this category. *Morely Sewing Machine Co. v. Lancaster*, 129 U. S. 263, 32 L. Ed. 715; *The Corn-Planter Patent*, 23 Wall. 181, 23 L. Ed. 161; *Corning v. Burden*, 15 How. 252, 14 L. Ed. 683; *Risdon, etc., Locomotive Works v. Medart*, 158 U. S. 68, 39 L. Ed. 899; *Electric R. Signal Co. v. Hall R. Signal Co.*, 114 U. S. 87, 96, 29 L. Ed. 96; *O'Reilly v. Morse*, 15 How. 62, 120, 14 L. Ed. 601; *LeRoy v. Tatham*, 14 How. 156, 174, 14 L. Ed. 367."

Thordarson Electric Manufacturing Co. v. General Transformer Corp., 93 F. 2d 36, followed by this Court in *Shull Perforating Co. Inc. v. Cavins, et al.*, 94 F. 2d 357 (C. A. 9).

By failing to point to "invention," plaintiff admits that the claims are invalid on the above ground, in accord with the authorities.

THE CLAIMS ARE INVALID BECAUSE OF
PRIOR PATENTS NOT CONSIDERED BY
THE PATENT OFFICE.

“* * * Even one prior art reference, which has not been considered by the Patent Office, may overthrow the presumption of validity, and, when the most pertinent art has not been brought to the attention of the administrative body, the presumption is largely dissipated. Such is the case here.”

Jacussi Bros. Inc. v. Berkeley Pump Co., et al.,
..... F. 2d (C. A. 9).

In the instant case, the uncontradicted evidence shows that the Patent Office did not consider patents and publications upon which defendant relies. These prior art references show the same elements in the same relationship with the same functions. They describe parachute flares which “* * * may be safely carried and used in open boats or otherwise exposed either at sea, on land or in the air” and shot 60 ft. or more [Ex. F-18, R. 210, p. 2]. An object 60 ft. in the air is visible for 11.6 miles. The Very parachute cartridge Mark I shot from a hand pistol “* * * holds the illuminant suspended at a height of about 200 ft. during a time of ignition of from 10 to 15 seconds.” [Deft. Ex. F-30, R. 220, p. 291, not cited by the Patent Office.] An object 200 ft. in the air is visible for 22 miles.

The Patent Office did not have this data. These published facts show the grave error committed by the Patent Office and the Trial Judge in believing plaintiff that a “new result” was obtained.

DEFENDANT HAS NOT INFRINGED. PLAINTIFF FAILS TO POINT TO EVIDENCE IN SUPPORT OF THE ERRONEOUS FINDING OF INFRINGEMENT.

Claims 10 and 11 are specifically limited to a cartridge having an annular groove, to be shot from a muzzle loader. Defendant does not infringe because he does not use such groove (Deft. Br. pp. 43-46).

In attempting to excuse the unjustified finding of infringement, plaintiff falls back upon the doctrine of equivalents. An equivalent is something which performs the same result in the same way. That is not the case here. Breech-loading ammunition cannot be used in a muzzle loader.

There are four controlling reasons why claims 10 and 11 are not subject to the application of the doctrine of equivalents. Plaintiff admitted that this is an old and crowded art [R. 147].

FIRST: Cartridges with a shoulder or flange can only be used in breech-loading guns, such as approved by the United States Coast Guard. Defendant makes cartridges with a flange.

Plaintiff's former vice-president, who had charge of development and manufacture [R. 91], testified that the signal with the groove was "*** * * a different type of signal altogether**", could not be shot from the approved guns and was a muzzle loader [R. 97 and 258]. Clauser testified to the same effect [R. 143].

The limitation is purposeful, intentional and cannot be disregarded.

“We think that, when an inventor in a crowded art has used limitative language in setting forth his claim, such language should not be rejected as surplusage, but should be considered as narrowing the patent.”

Automatic Appliance Mfg. Co. v. McNiece Motor Co., 20 F. 2d 578 (C. A. 8).

SECOND: “Where there is an express limitation in the claim, there is no ground for application of the doctrine of equivalents if the accused device departs from the claim in that particular. Lektophone Corporation v. Rola Company, 282 U. S. 168; D’Arcy Spring Co. v. Marshall Ventilated Mattress Co., 259 Fed. 236, 240.”

Dillon Pulley Co. v. W. H. McEachran, et al., 69 F. 2d 144 (C. A. 6).

THIRD: Claim 8 generically referred to “means” on the cartridge base for positioning the shell in a gun. This claim was held invalid and plaintiff’s counsel thought the Court should hold it invalid [R. 154].

The doctrine of equivalents cannot be invoked to give a claim the same scope as an admittedly invalid claim.

FOURTH: The doctrine of equivalents cannot be invoked to rewrite a claim. See *Reinharts Inc. v. Caterpillar Tractor Co.*, 85 F. 2d 628 (C. A. 9), and cases there cited.

The importance of the limitation appearing in claims 10 and 11 is emphasized by the fact that similar claims, including a onepiece shell (but not including the annular

groove) were rejected by the Patent Office Board of Appeals and disclaimed and withdrawn by the patentees [Ex. G, R. 179; also see discussion R. 61-62, Ex. A, p. 68].

It is only because of this express limitation to an annular groove, limiting the device to a muzzle loader, that claims 10 and 11 were allowed.

**THE FACTS IN THIS CASE CONCLUSIVELY
SHOW THAT DEFENDANT-APPELLANT
IS ENTITLED TO COSTS AND ATTOR-
NEY'S FEES INCURRED DURING TRIAL.**

Defendant is confident that this Court will reverse the Trial Court and hold that claims 10 and 11 are invalid and not infringed by defendant. In addition, in view of the current importance of the question of attorney's fees, it is respectfully requested that this Court express an opinion which would be of assistance to all Trial Judges in this Circuit in properly ruling on the question of attorney's fees. The facts of the instant case are believed to be clearly distinguishable from those considered by this Court in *Park-In-Theatres, Inc. v. Seth Perkins, et al.*, F. 2d, wherein Judge Hastie, speaking for this Circuit, stated that the Trial Court did not impose a sufficiently strict standard in finding cause adequate to justify an allowance of attorney's fees, but also stated that such an allowance

“* * * should be bottomed upon a finding of unfairness or bad faith in the conduct of the losing party, or some other equitable consideration of similar force, which makes it grossly unjust that the winner of the particular law suit be left to bear the burden of his own counsel fees * * *.”

This Court also implied that attorney's fees would be allowed if the record presented a picture of dilatory tactics or willful effort to prevent expeditious disposition of the litigation.

Defendant earnestly submits that in this case there is overwhelming evidence that the action was not brought in good faith; that the plaintiff knew that the patent in suit was invalid and defendant had not infringed two years before trial; that plaintiff wilfully made contradictory and misleading representations to the Trial Court; that plaintiff repudiated its admissions and denied statements of fact which were previously admitted, and that the vexatious and unjustified conduct and statements made before the Trial Court were prejudicial to defendant and constituted a contempt of court. These various acts of unfairness and bad faith which are "equitable considerations * * * which make it grossly unjust that the winner (defendant here) be left to bear the burden of his own counsel fees * * *."

In greater detail, the acts upon which this Court should instruct the Trial Court to assess attorney's fees against the plaintiff include the following:

Plaintiff in this case brought an action upon a patent whose validity was seriously questioned nine years ago. The District Court of Maryland had stated that the patent in suit was "* * * in no sense a pioneer patent * * *" and that "* * * there is nothing novel * * *" in the purported one-piece construction. Plaintiff brought this action with the knowledge that the 4th Circuit had stated: "The validity of the patent is not free from doubt." (*Triumph Explosives, Inc. v. Kilgore Manufacturing Co.*, 128 F. 2d 444.)

In addition to this cloud around the patent, plaintiff knew more than two years before trial that defendant was presenting prior art not considered by the 4th Circuit nine years ago. Plaintiff's eminent counsel is presumed to be an officer of the Court and has a duty not to misrepresent matters of fact to the Court. In the instant case plaintiff did not follow this precept. In 1948 plaintiff presented to the Trial Court that the only element of novelty was the one-piece case [R. 86]. During trial in 1950, plaintiff **repudiated** its position and claimed invention in other elements, such as the tapered end on the fuse:

"The Court: * * * Do you claim that there is anything about this invention that is new except the combination of elements?

Mr. Schmeiding: Yes, we do, your Honor.

The Court: What is it?

Mr. Schmieding: We claim there is something new in the shape of this particular eyelet." [R. 132.]

The argument about the tapered end of the nipple or eyelet was baseless because none of the claims refers to a tapered end on the eyelet or nipple and this was later admitted by plaintiff's counsel [R. 306].

In 1948 plaintiff admitted that the patentees did not invent the combination of a one-piece shell with a cartridge; they had disclaimed and withdrawn such claims as 35, 36 and 38 [Ex. A, p. 68; Ex. G, R. 179].

But two years later, during trial, plaintiff urged invention in such old and disclaimed combination.

In 1948 plaintiff admitted that there was no invention in the contents of the projectile and such admissions are in evidence as defendant's Exhibit G [R. 161-163]. How-

ever, upon trial in 1950, plaintiff **repudiated** its admission and stated that the entire mechanism is in issue:

“The Court: But what I understood from his statement was that it was the containers and not contents that were in issue, not the arrangement of the contents that were in issue here. Now, as I understand it, the entire mechanism is in issue here.

Mr. Schmieding: That is right, your Honor.

The Court: That is, not only the cartridge shell, the projectile shell, but the contents of both and the arrangement of them.” [R. 305.]

In 1948 plaintiff admitted that a one-piece projectile was not invented by the patentees of the patent in suit [Ex. G, R. 172]. During trial, however, plaintiff repudiated the above admission and representation, and instead stated that the one-piece projectile was novel:

“The Court: Is there any issue here over the contents of the shells, either shell, that is, the cartridge shell or the projectile shell?

Mr. Schmieding: Yes. Not in the cartridge shell. There is in the projectile shell. * * *” [R. 303-304.]

These instances of conflicting, contradictory and irreconcilable statements constituted a contempt of court. **There is no excuse whatsoever for repudiation of sworn admissions.** Plaintiff was guilty of an unjustified attempt to stab defendant in the back and surprise him during trial. Plaintiff was successful in its unconscionable tactics to the extent of confusing the Court and causing a miscarriage of justice.

Plaintiff's vexatious and improper tactics necessitated the presentation of additional evidence and thorough cross-examination of plaintiff's witnesses to re-establish

that which had been previously admitted by plaintiff and was in evidence as Exhibit G. Plaintiff's tactics imposed upon defendant the costs of an unnecessarily long record, memoranda and briefs in attempting to point out the true facts to the Trial Court.

Plaintiff brought the action on a large number of claims including claim 6. It was not until November 3, 1950, toward the conclusion of the trial, that plaintiff admitted that claim 6 was invalid:

"The Court: Do you claim it is valid?

Mr. Schmieding: No." [R. 154.]

Plaintiff argued that claims 7 and 8 were valid and infringed [R. 336] but on the last day of trial plaintiff admitted that the Trial Court should hold claims 7 and 8 invalid, stating:

"Mr. Schmieding: I think you should." [R. 154.]

Plaintiff represented that claim 9 referred to a one-piece shell.

"Mr. Schmieding: I was going to call your Honor's attention to that, that that does define the combination with the cartridge case and one-piece shell." [R. 147.]

Upon this representation, the Court first held claim 9 valid and infringed, but during the argument resulting therefrom, plaintiff admitted that claim 9 did not refer to a one-piece shell and the Court held the claim invalid [R. 151].

Does this Court intend to subject Trial Judges to the unfair tactics of plaintiff in this case without permitting the application of the salutary provisions of 35 U. S. Code, Section 70 which provides that reasonable attorney's fees should be awarded to the prevailing party upon entry of

judgment on any patent case? It is urged that in the instant case there was a **willful effort** by plaintiff to delay and confuse and to prevent expeditious and forthright disposition of the litigation. The Courts should not condone and encourage misrepresentation, shifty tactics and unfairness. Your Honors' attention is called to the recent decision of the Court of Appeals for the 4th Circuit, *Orrison et al. v. Hoffberger Co.*, decided July 26, 1951 (.... F. 2d, 90 U. S. P. Q. 195) wherein the Court found that there was **no reasonable ground** for the prosecution of a motion for new trial and approved the imposition of counsel's fees as well as expenses upon the moving party.

In the present instance the entire proceedings were based upon a patent whose validity was in doubt. Although the action was filed in October, 1947, it was not tried until the fall of 1950. Defendant had exerted every effort to crystallize the issues by presenting all of its prior art and by discovery procedures, including interrogatories and requests for admissions. Defendant had the right to rely upon the admissions made in 1948 and introduced such admissions in evidence as Exhibit G. Two years later, upon trial, plaintiff repudiates such admissions, confuses the Trial Court, and places defendant in the position of having to unnecessarily incur the expense of an appeal.

In the light of these facts, clearly established by the record, this Court is requested to hold claims 10 and 11 invalid and not infringed, and to remand the case to the Trial Court with instructions to find plaintiff guilty of a willful effort to prevent expeditious disposition of litigation, of unfairness and inequitable conduct which makes it grossly unjust that the defendant be left to bear the

burden of his own counsel fees, with instructions to assess defendant's counsel fees against the plaintiff "in order to prevent a gross injustice to an alleged infringer," pursuant to Congressional intent.

This Court is urged to issue such instructions in order to establish a dividing line between circumstances under which attorneys' fees can be allowed and those in which they should not be allowed. This Court has indicated the line of demarcation in the *Park-In-Theatres* case (Appeal No. 12627) and should give life and meaning to the standard there set forth.

In the instant case there is still a further ground which requires that attorney's fees be imposed against the plaintiff. The Federal Rules of Civil Procedure show that defendant is entitled to his attorney's fees because Rule 37(c) provides as follows:

"(c) Expenses on Refusal to Admit. If a party, after being served with a request under Rule 36 to admit the genuineness of any documents or the truth of any matters of fact, serves a sworn denial thereof and if the party requesting the admissions thereafter proves the genuineness of any such document or the truth of any such matter of fact, he may apply to the court for an order requiring the other party to pay him the reasonable expenses incurred in making such proof, including reasonable attorney's fees. * * *

Here, the plaintiff denied statements of fact which were previously admitted and no explanation was made for such repudiation. The facts therefore are even stronger than contemplated by Rule 37(c). There is no question but that defendant was forced to go to unnecessary expense in proving that which had been previously admitted by plaintiff.

PLAINTIFF KILGORE PERSISTS IN CONFUSING AND IMPROPER TACTICS UPON APPEAL.

During appeal plaintiff has disregarded the rules of Court. Plaintiff has failed to file a brief in this appeal within the time provided by Rule 20(3) of the Rules of Practice of this Court. The facts are as follows:

A. Defendant designated the record on appeal and such record was printed and served on June 1, 1951.

B. In conformity with Rule 20(1) of this Court, defendant-appellant printed, served and filed its opening brief within thirty days, on June 21, 1951.

C. Plaintiff Kilgore did not file its brief within thirty days, as required by Rule 20(3) of this Court; the brief was not received until August 27, 1951, thirty-seven days late. This disregard of Court Rules is inexcusable and has cost defendant's counsel great inconvenience.

Because plaintiff Kilgore did not file its brief under the rules, this Court may disregard plaintiff's brief (Rule 20(7)). It is to be noted that an application for extension of time was not made by plaintiff.

Plaintiff Kilgore is owned by Commercial Credit Corporation, a multimillion dollar organization with numerous and eminent counsel. There is no excuse for such counsel to fail to follow the rules of this Court unless such counsel feels that plaintiff corporation, because of its great size, can dictate its own rules to this Court.

Furthermore, plaintiff did not conform to the rules of this Court in failing to file a counterdesignation until the

record on appeal had been printed, served and filed. As a result, defendant-appellant has been faced with a “Supplemental Transcript of Record” which defendant did not see until after its opening brief had been filed. This “Supplemental Transcript of Record” is **totally unwarranted** and imposes an unnecessary burden upon this Court, since it is **filled with irrelevant matter**. There is no excuse for inclusion in the record of memoranda such as appear on pages 225-239 of the Supplemental Record. Even the Trial Court noted on the margin of such memorandum:

“The Court did not provide for memoranda of this type at the time of the ruling.” [R. 239.]

A record on appeal should not include argument by counsel, and still pages 251-252, 330-341, 350-356 consist of self-serving arguments of plaintiff’s counsel.

When an objection to a question is sustained and no appeal is taken therefrom, the record should not be burdened with the question, objection and ruling of the Court. But this has been repeatedly included in the Supplemental Record by plaintiff, as for example, on page 288.

Plaintiff has persisted in placing into the Supplemental Record a great deal of matter regarding proposed exhibits **excluded** by the Trial Court. The proposed exhibit is not before this Court on appeal. The material on page 275 is totally irrelevant.

Defendant, in its designated record, submitted condensed narrative statements of certain portions of the testimony in order to conserve time of this Court and

reduce costs, as for example, regarding Hubbard's deposition, the Hatch deposition and Clauser's qualifications. Plaintiff did not object to such narrative statements nor claim that they were unfair or inaccurate. Plaintiff belatedly printed the entire detailed and unnecessary testimony of these witnesses in its Supplemental Transcript.

The inclusion of all this unnecessary material in the so-called "Supplemental Transcript of Record" is a violation of Rule 75(e) of the Federal Rules of Civil Procedure, which states:

"All matters not essential to the decision of the questions presented by the appeal should be omitted."

It is respectfully submitted that by disregarding the Rules of Court in the manners above indicated, plaintiff-appellee has imposed a great and unnecessary burden upon this Court and upon defendant-appellant. It has been necessary to read and check many pages of improperly submitted material. It is submitted that all costs incurred by defendant-appellant on this appeal should be assessed against the plaintiff.

* * * * *

It would be a burden upon this Court to review the many misstatements in plaintiff's brief. Most of such misstatements are refuted by the publications and evidence; plaintiff's false statements are not supported by the record. Argument of such baseless assertions is unnecessary because the principal reasons for reversal of the Trial Court are clear.

SUMMARY AND CONCLUSION.

Defendant has called attention to evidence which shows that the findings of the Trial Court were clearly erroneous. Findings, such as 9 and 13, are contrary to the evidence of record. There is no "new result" or new function. Plaintiff has failed to identify a "new result." The Trial Court was clearly in error in finding infringement, because plaintiff's own witnesses identified the claimed structure as "a different type of signal altogether" [R. 258] with different uses.

Defendant has stuck to the facts and the accepted authorities. It is submitted that plaintiff has failed to answer the challenges presented in defendant's brief, and by its silence has admitted that the patent is invalid for having claimed more than was invented.

The judgment of the Trial Court should be reversed because:

- (1) There is no invention in substituting an admittedly old, one-piece shell for a two-piece shell in an old combination, with the same functions and results.
- (2) The Trial Court erred in finding a new combination. The combination is shown in prior patents and publications.
- (3) The Trial Court erred in finding a "new result." The evidence shows that parachute-type flares were sent to the same and greater heights, with flares of the same or greater brilliance, in the prior art.
- (4) The Court erred in finding that the structure of claims 10 and 11 produced a "new result." The claims as well as the specification fail to teach how to obtain a new result.

- (5) The Court erred in finding infringement. Specific limitations of claims 10 and 11 are not found in defendant's structure.
- (6) There is no evidence to support the Trial Court's finding of willful and deliberate infringement.
- (7) The record shows that plaintiff was on notice that its patent was of doubtful validity; that plaintiff made admissions of fact and then repudiated them during trial; that plaintiff made contradictory representations to the Trial Court; that plaintiff voluntarily admitted invalidity of claims on which it brought suit; that plaintiff disregarded Rules of Court; that such actions were inequitable, unfair and prejudicial to defendant, unnecessarily prolonging trial and constituting a willful effort to prevent expeditious and proper disposition of the litigation.
- (8) That plaintiff's acts in this case make it unjust that defendant bear his own counsel fees; the Trial Court should be instructed to ascertain and assess attorney's fees against plaintiff.
- (9) That costs on this appeal be assessed against plaintiff.

Dated at Los Angeles, California, this 31st day of August, 1951.

Respectfully submitted,

C. A. MIKETTA,

W. W. GLENNY,

Attorneys for Defendants-Appellants.